

NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

- Agency: Insurance - Administration
Room no.: 3110
Building: STATE OFFICE BLDG
Street address 1: 450 N MAIN ST
Street address 2:
City, state, zip: SALT LAKE CITY UT 84114-1201
Mailing address 1: PO BOX 146901
Mailing address 2:
City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

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| Jilene Whitby | 801-538-3803 | 801-538-3829 | jwhitby@utah.gov |
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 34769 Date filed: 05/02/2011 06:16 PM
State Admin Rule Filing Key: 151000
Utah Admin. Code ref. (R no.): R 590 - 192 -
Changed to Admin. Code ref. (R no.): - -

Title

- Title of rule or section (catchline):
Unfair Accident and Health Income Replacement Claims Settlement Practices Rule.

Notice Type

- Type of notice: Amendment

Rule Purpose

- Purpose of the rule or reason for the change:
Purpose of the rule is to incorporate changes as a result of adoption of a new appeals procedures for health benefit plans. The appeals process for health benefit plans is changing due to HB128 during the 2011 legislative session, and to adopt a review process that insurers are required to follow as a result of the Patient Protection and Affordability Act. The rule revisions include: new definition of an adverse benefit determination for a health benefit plan; provides notification requirements to an insured when there has been an adverse benefit determination; and limits the number of appeals for an individual policy.

Response Information

- This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:

The changes to this rule applies to individuals, small employers and large employers, including health insurers. Individuals, small and large employers will have a different review process, but should not be fiscally impacted. Because of the Patient Protection and Affordability Act, insurers already must comply with the new appeals procedures. This rule adopts the requirements insurers must follow. The changes to the rule include changing "carrier" to "insurer;" For health benefit plans and non-health benefit plans the definition of "Adverse Benefit Determination" and "Misrepresentation" in Section 12 have been revised; Subsection 12(17) provides unfair claims settlement methods that applies only to health benefit plans; Subsection 8 instructions for what a health benefit plan notification will provide; the term "department" has been changed to "commissioner".

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The changes to this rule will have no effect on the department's or state's budgets or revenues, nor will it impact the workload of employees of the department. The changes do not require additional filings to or input from the department.

B) Local government:

Affected: No

The changes to this rule will have no impact on local governments since deals solely with the relationship between the department and their licensees and licensee's insureds in the settlement of claims.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

This rule relates to the way insurers, which are large businesses, handle the claims of their insureds. Small business health benefit plans are impacted by changing the way an insured appeals a denial.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

The changes to this rule applies to individuals, small employers and large employers, including health insurers. Individuals, small and large employers will have a different review process, but should not be fiscally impacted. Because of the Patient Protection and Affordability Act, insurers already must comply with the new appeals procedures. This rule adopts the requirements insurers must follow.

Compliance Cost Information

8. Compliance costs for affected persons:

The changes to this rule applies to individuals, small employers and large employers, including health insurers. Individuals, small and large employers will have a different review process, but should not be fiscally impacted. Because of the Patient Protection and Affordability Act, insurers already must comply with the new appeals procedures. This rule adopts the requirements insurers must follow.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

This rule will have no fiscal impact on businesses. It makes changes to the insurers claims review process.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-2-201

31A-26-301

31A-21-312

31A-26-303

31A-2-202

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

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| <div style="text-align: right;"> Official Title of Materials Incorporated (from title page): Publisher: Date Issued: Issue, or version: ISBN Number: ISSN Number: Cost of Incorporated Reference: Adds, updates, removes: </div> |
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Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

06/14/2011

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

06/09/2011

09:00 AM

State Office Building, Room 3112, Salt Lake City, UT 84114

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 06/21/2011

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
insurance law

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

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| Agency head or designee, and title: | Jilene Whitby Information Specialist | Date (mm/dd/yyyy): 05/02/2011 |
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